

lend us credit; they do not actually lend us money, to carry on the business of the country, but eventually that loan has to be paid back in actual cash.

Mr. ILSLEY: No; you can take in cheques, or something like that.

Mr. HOWDEN: Can you pay them back with cheques? Do you not require something behind your cheques?

Mr. ILSLEY: A bank account.

Mr. McGEER: All bank borrowings are repayable in legal tender cash; it is a contract under the law, as the minister well knows.

Mr. ILSLEY: Yes; it is a contract, but actual legal tender is not taken back.

Mr. McGEER: When a depression comes along that is exactly what happens; the people are forced to convert their assets into cash. In the depression of 1929 that was the thing that brought about the appalling condition of bankruptcy, because of these liquid credits. People had invested largely in margin stocks; then they were called upon to convert those stocks into cash, and they had to get legal tender. I remember going to my own banker; he telephoned and said, "I want this security loan called." I said, "I suppose that goes for every one of your clients in this bank?" and his reply was that it did. I suppose every bank in Canada is doing the same thing. That applies not only to people like myself, who have not been gambling in the market, but to people who have been buying on margin. As a banker the minister knows that if this is the order that has gone out from the banks in Canada, and probably from the banks in the United States, to all people who have stocks as security, they must go on the market to convert those stocks into cash, and you know that will collapse the market in Canada and the United States. The very principle raised by the hon. member for St. Boniface, that they lend credit and are repaid in legal tender cash, is one of the tragic and badly misused powers enjoyed by the banking monopoly, and as yet the people have no protection or security against it.

Mr. ILSLEY: The point really is a new one to me, and I shall look into it to see whether I think there is really anything in it. The points brought up by the hon. member for Parry Sound are old; they have been discussed time after time. I cannot make my position much clearer than I have made it. Three or four times I have given the

reasons why we are taking our present course, and I believe that course to be in the best interests of the country.

Mr. SLAGHT: May I mention just three matters for the minister to ponder during the recess, apropos of his explanation. He says that all this debt we are creating, and the interest we pay, is held in Canada so that it is a case of one Canadian paying another. Let me tell him that in the last victory loan there were 2,400,000 subscribers, individuals and others. There are in Canada 11,500,000 people, and of course one must make allowances for children; so that there are to-day 9,100,000 people in Canada who do not own a victory bond of any kind.

Let me give the minister one other point. He says that the chartered banks restricted their profits, and I want to give him this figure. There are 51,000 shareholders in the ten chartered banks of Canada; that information comes from the statement of the association of bankers. This means that four per cent of the people of Canada own bank shares and ninety-six per cent of the people of Canada have not a share of bank stock.

Mr. BLACKMORE: But they are paying the taxes.

Mr. SLAGHT: Yes; they are paying the taxes and giving the bankers the profit under the monopolistic system.

One more point and I am through. The minister says, you might just as well go on and let them do this—the British North America Act provides otherwise, but we surrendered that right—because if you take it away from them, we shall have to pay for the banks servicing us. For instance, a grocer then would have to pay so much a cheque, and so on. They are charging that now. I know a little grocery store in a country town that is paying the bank \$10 a month to carry its current account.

Mr. ILSLEY: That is better than paying the bank \$100 a month.

Mr. SLAGHT: It would not have to pay the bank \$100 a month.

Mr. ILSLEY: Perhaps not, but it would have to pay a great deal more than \$10.

Mr. SLAGHT: I say it would not have to pay nearly as much, and let me tell the minister why. The minister knows that the service the banks give is for the big corporations, for big businesses, which have thousands of cheques go through in a day. That is the type of business that is using eighty-five per cent of the banking service of Canada. The working man in the factory and the farmer on